

VIETNAM

COURIER

Information Weekly E.O.: 46 Tran Hung Dao Street, Hanoi — Democratic Republic of Viet Nam

For the Second Time This Year

SAIGON WORKERS CALL A GENERAL STRIKE

70,000 workers of 124 TU organizations in Saigon went on strike on June 15, 1970 for an indefinite period, Western sources said. They were supported by 40,000 non-militant school children, Buddhist monks of An Quang Sect, Saigonese students and pupils and war invalids. This was the second time since early 1970 the Saigonese workers walked out.

At the origin of their action was the May 28, 1970 strike of dockers at The Duc Tu depot in protest against America's "unjustifiable sacking of 280 workers there and the imposition of wages of others by 30 to 70 per cent. On June 9 the dockers of Saigon port staged a 24-hour sympathetic stoppage. On June 15, 60,000 workers again downed tools as a warning to the American bosses and their helpers that if they remained silent they did not meet the legitimate claims of the strikers, which give rise to the current general strike.

It is to be recalled that the first general strike, involving 70,000 workmen from 18 Saigonese TU organizations erupted on January 7, 1970 in Saigon in support for the bus drivers' protest action.

As to the dockers of The Duc Tu depot, in early 1970 they already struck for annual holiday benefits and bonus worth a month's salary as stipulated in their contracts (February 19, 1970). After their claim had been satisfied, they again stopped work to protest against their US bosses' domineering behaviour (February 23, 1970) and against the jailing of three workers who had taken part in the February 19 strike (March 8, 1970).

Labour unrest in South Viet Nam cities has been gaining momentum during the recent months: bus drivers forced the puppet authorities to hand over the contract for the exploitation of the sugar company to the highest bidder, and raise all the workers' (February 2): stevedores in Khanh Hoa sugar stores compelled the managers of the Viet Nam Sugar Company to abolish the overseers' system (February 23); workers of the Pacific firm compelled the owners to make public apology for their arrogance (February 23); workers of Esso oil firm

obtained a basic wage-lift of from 6 to 11 per cent (March 1); and those of the RMK — BRJ firm a pay rise and a change in the time-table (March 27).

One of the direct causes of this effervescent strike was the worsening living conditions due to the skyrocketing living cost. The Saigonese newspaper *Chinh Luu* (Just Opinion), in its issues of March 14, 15 and 16, pointed out that 90 per cent of products and consumer goods had increased or given up. The June 15, 1970 issue of *Nguoisach* wrote that though the official rate of exchange of the piastre to the dollar is 1.18 to one, on the free market it is 4.40 to one, therefore the cost of living rises up to 7 and to 10 per cent per month. *Luot* (Saigon Free Press) on June 15, 1970 revealed that from early January to last May the living cost was 20 per cent higher compared with last year.

By the end of 1969, the "austerity" tax of the puppet administration (enforced on October 23, 1969) made things more difficult for the workers and poor people. This year, the puppet authorities admitted that the deficit of their budget ran to \$8 billion piastres. In order to fill this gap they recently submitted to the Saigon "Parliament" a law which will give the government power to deal with economic problems for the next five months. For the masses in South Viet Nam things are going from bad to worse with every passing day.

In addition to the above-mentioned economic causes, the political atmosphere also stirs up the militancy of the workers. There have appeared in the South Viet Nam numerous protests against US aggression — the source of every calamity which befalls them — such as "Yankee, go home!", "Governor General Bunker, go home!", "Vietnamization means war prolongation".

The hacking given the bus drivers' general strike by Buddhists, students and invalids was an unmistakable token of solidarity between all strata of the South Vietnamese citizens who joined in a joint effort for their legitimate economic and political claims and the fundamental rights of the whole nation.

June 29

1970

No. 275

7th Year

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U.S. Economy

From Inflation to Recession

In March last, members of the US Congress Joint Economic Committee already warned that a difficult year lay ahead of US economy; the Government should work out drastic programmes in case the anti-inflation policy continued to entail unemployment and recession.

US President R. Nixon,

INFLATION, "U.S. GREATEST SCOURGE"

SINCE 1965, prices in the US have been spiralling. Consumer prices rose at an average rate of 1.3 per cent annually from 1960 to 1965, then 3.5% in 1966, 4% in 1967, close to 5% in 1968, and over 6% in 1969. In the first months of 1970, the rate of increase has not slowed down, but continued its climb. In April, living costs shot up again to the annual rate of 7.2% (Reuters, May 20, 1970). The trend of wholesale prices remained roughly the same, though more irregular. It should be recalled that a simple increase of 1% in living costs already means a loss

of about 5.6 billion dollar for American consumers.

Price indices show that in the last 2 years, cigarettes have increased by 11%, eggs 24%, recreation 18%, and medical care 28%. Compared with 1950, the purchasing power of the dollar on the home market fell to 46.9 cents in 1960, then 44.1 cents in 1965 and 37.9 cents in June 1969. If the present inflation trend is maintained, the buying power of the dollar will be worth no more than 36 cents in 1970. On the whole, the dollar is depreciated at an annual rate of 7% (Reuters, June 17, 1970).

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Repression — U.S. Fundamental Policy in South Viet Nam

(See article on page-2)



Saigon students' meeting in protest against US-puppets' policy of repression and Saigon-Phnom Penh collusion in the massacre of Vietnamese residents in Cambodia.



U.S. Neo-Colonialism in South Viet Nam

Repression — a Fundamental Policy

SOUTH Viet Nam must have a strong government backed up by police and security forces, capable of guaranteeing the factors of production and local defence which are being formed to give protection against subversion at the village level,"

Right from the outset, Washington knew that all the political guises were of no great use. What they needed in the first place was a machine of repression.

Let us have a look into the mechanism and workings of this machine.

A MASSIVE MACHINE OF REPRESSION

1. The Regular Army and the Forces of Police

Under the supervision of the American missions MAAG and USMAG, the Saigon government began to build up sizeable regular army and police force.

The regular army constitutes the cornerstone of the regime. It has swelled up rapidly since February 10, 1953 when Pentagon took charge of its organization, equipment and training.

The *Times of Viet Nam* published in Washington, March 1958, "Until 1953, the Vietnamese troops, auxiliary to the French army, were no larger than battalions. By 1956, the total strength of 150,000 men was made of a combat element of infantry division, corps and ministries. At the present time, the recent organization of two army corps has turned the Army of the Republic of Viet Nam into a modern army, capable of responding to the necessities of modern warfare."

The Republicans youth and socialist youth are chiefly interested with gathering fellahs.

This modern warfare was launched first against the people of South Viet Nam. For this regular army was assigned the task of the government and its US masters the task of quelling the popular movements, conducting "mopping-up" operations in the former bases of resistance of the Vietnamese people, paving the way for the infiltration of their resistance members and finally undertaking the "march to the North" when all opposition had been wiped out in South Viet Nam.

Several US generals were posted to this Ministry of Defence and the General Staff of the Saigon army. All the Saigon units from battalion level and later from company level upward have their group of Yankees as advisers.

This "civil guard" (bao an) set up on April 10, 1955, constitutes the regular armed forces of the provinces and districts.

The police and security forces (anh sat, an uatk) play the role of spearhead in the suppression of the popular movements, first of all the town population.

The militia (dan ve) are, in principle, a para-military force, but organized, equipped and paid by the Saigon administration; they operate at all levels. On orders from Ngo Dinh Diem, they were integrated into the "civil guard" on November 22, 1956.

Guards, police and security forces and militia, all are charged with watching over the local population. They co-ordinate their actions with the regular army whenever the latter conducts an operation in their localities.

the internal security forces of a regular army of about 30,000 men, a nucleus of 10,000 men for the prison and local defence which are being formed to give protection against subversion at the village level."

Speaking on June 1st, 1956 at a meeting of the American Friends of Viet Nam Association, W.S. Robertson, Under-Secretary of State for the Far East, was even more explicit. "Our efforts," he said, "are directed first of all toward helping to sustain

the highest rank of this legislation in implementation." Law No 10/50 promulgated on May 6, 1950. Article 1 of this law provides for punishment of anyone who commits or attempts (italics are ours — Ed.) to commit one of the offenses listed in article 1, in a way either to subvert or infringe on State security, etc.

Special military tribunals were set up to enforce this law. Deposition of preliminary investigation trial within three days after arrest, the defendants being advised only twenty-four hours before hearing in court, hearing and non-publicity of the verdict, sentences immediately executable and non-appealability, such are the overriding powers of these tribunals. Punishments standardized to the extremity: there are only death penalty and hard labour for life. No extenuating circumstance is valid for the principals in the first and second degrees, and instigators.

For intimidatory purposes, the special military tribunals brought along guillotines everywhere they went.

However, with the arrival of the US expeditionary corps, it became more and more difficult to camouflage neo-colonialism and consequently repression became more and more ferocious. This fascist legislation no longer was applicable.

An ordinance decreed on June 24, 1958 proclaimed the state of war throughout South Viet Nam territory, known as Law No 10/58 of November 5, 1958, was enacted to complete the said ordinance. It simply banned all strikes, demonstrations and gatherings, the tearing and distribution of printed matter, documents and leaflets likely to harm public order. It authorized house search by day and by night and the imposition of house arrest upon any individual judged dangerous to national security, control and restriction on the movement of the population, control over the distribution of food, etc. Field military tribunals are empowered to try all infringements of public order and national security. Emergency proceedings are routine practice.

For a population of about 17 million, South Viet Nam has more than a thousand jails and concentration camps. 400,000 people detained there have been subjected to a regime of which even documents and the press of the USA have failed to time denounce the atrocities.

The *Cao Lao Khanh Vi* (Party of Labour and Personalism) superintended all these armed and para-military organizations. Its members who were often in service of Ngo Dinh Diem and his brother Ngo Dinh Nhu, acted as nucleus in all important organs of the Diemist regime.

This police network which has not ceased to grow, has practically spread to the whole of South Viet Nam. Together with the regular army, it enables the Saigon administration to control the people from the towns down to the smallest hamlets.

At the January 3, 1958 session of the Saigon "National Assembly," deputy Tran Ngoc Ban gave the

following details:

"1) 112 million piastres (South Viet Nam currency) for the prisons, 6 million for the Hue University. 2) 150 detainees kept in rooms holding 24 persons each, or every square metre for three. The detainees cannot even stretch themselves. They eat, sleep and relieve themselves in the same room."

"3) Many detainees stay 18 months in prison without trial. For Quang Ngai province which I represent, the small provincial penitentiary is keeping 2,000 people."

The US Commission Inquiry into Religious and Political Freedom in Viet Nam report has related the following after a visit to the women's prison of Thuc Duc (Saigon), a visit evidently arranged before-hand:

"The cells and large prison rooms were overcrowded. This was especially hard on nursing mothers and women with young children. Fifty women, some with babies, lived in a crude building 40' by 30'. Sanitation was primitive and inadequate. There was evidence that some prisoners had not received medical attention.

Team members were especially concerned about the large number of prisoners who had not been sentenced after many months of detention, the looseness and inaccuracy of prison classification, the severity of some sentences and the extreme youthfulness of many of the inmates. Governor Minh told the Team that there were fifty children from birth to 18 years of age in prison and forty young offenders from 13 to 17 years."

Tortures are daily practice in the prisons and interrogation centres. Thus, the torturers combine, with a sadistic pleasure, the medieval methods with the refinements of the latest findings of American psychopathologists. On April 17, 1959 reported the accusations made in a press conference by Saigon students on the tortures inflicted on them:

"Quoc Huong, a teacher, one of the four girls among 21 persons brought to trial before the military court, said she and the other three girls were tortured with electric shocks in the genital area and with cigarette butts thrown against their sex organs. Mrs Huong said her husband was forced to watch her tortured and then she was forced to watch as her husband was beaten.

"Another witness, Luu Hoang Thao, who was carried into the courtroom by four other students, said he had been beaten with the knapsack for seven days and could hardly walk. Thao said he had electric shocks applied to his ears and genitals."

METHODS OF REPRESSION

1. From 1954 to 1960

In its early days the US-Diemist regime did its best to stamp out all forms of opposition, and resorted to terror to bring the population to their knees.

Peaceful demonstrations to proclaim the Geneva Agreements and demand their strict application were drowned in blood.

The population was classed into three categories: "legal," "semi-legal" and "illegal." The first were the militiamen of the resistance against the French colonialists (1945-54) and those who asked for peace and reunification of the country.

(Continued page 7)



"Pupils" going to "school"

the capital, one crosses the Black River at the Jade Landing Stage to take the inter-provincial Road No 24, a metalled one dotted with roadside schools, which was built by one of the first batches of students and played a decisive role in the history of the school. It winds through the landings. The classes were moved near the work sites. In the end, the fourth batch of students managed to build a new road, a short one, later provincial No 24, and to gather a capital of 320,000 doas which enabled the school to settle down once for all and engage in productive work. With their own hands, teachers and students reclaimed land, built classrooms, clubs, and living quarters, made furniture and school equipment. In brief,

"it was opened to meet the needs of socialist revolution in our province," explained deputy-headmaster Nguyen Van

having only three hours for study: two for class and one for learning."

The smooth functioning of the enterprise has had good effects on the educational, economic plan, but also on the pedagogical one. The teachers, who are producers of material goods like their pupils, have been attending particularly important courses of theoretical knowledge, chiefly biology, chemistry, physics and agricultural technique. The point is to square theory with practice. Seen from another angle, manual activities combined with the intellectual ones, far from interfering with the latter, constitute a healthy complement which is complementary to them. In addition, collective

Over 3,000 youths — belonging to eight ethnic groups — that is nearly one percent of the Hoa Binh population, have graduated from this Socialist Labour School. Among them 1,750 have got jobs in agricultural

An Original Pedagogic Experience

A School - Cooperative in Hoa Binh



A class in the open air

Troong, a 47-year-old Muong and one of the school's founders. But one has to trace back its origins to the anti-French resistance.

In 1958, the three-year plan of post-war economic restoration had just been fulfilled. The agricultural cooperative began. The provincial youth committee, of which Mr Nguyen Van Trong was under-secretary, set itself the task of mobilizing the young mountaineers for this decisive drive.

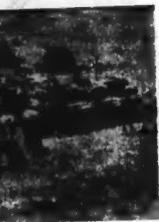
To build socialism in the countryside already a difficult job in the mountainous areas where various ethnic groups still live in a feudal society, the difficulties seemed insuperable. Here the vast majority was illiterate. Social instruction was at a standstill. How to advance to a minimum of general instruction, social and technical knowledge? The committee then planned to set up schools for youths. Unfortunately, there was no money for it since the State was still poor. At last the youth cadres decided to apply a piece of experience from the time of anti-French resistance. At that time they had run literacy courses for army carriers who were bringing supplies

they made everything here, from the hearth-pipes, composed up to the electric station, rice mill and distillery which were eventually built. The tiling, at first manual, began to be mechanized with the purchase of three machines. The manufacture is no longer done on human backs but on two lorries, a motor-boat, a junk and carts. Now the Hoa Binh school-cooperative has 10 million doas in its coffers, more than twenty times its initial twenty-five thousand francs.

"We can supply food," Mr Nguyen Van Trong went on, "and part of clothing to the pupils and cover all their school expenses. Each year at the 7th-grade graduation festival, which is a great occasion for mountaineers, we make a school-made present of a kilogram of vermicelli, a bottle of manioc alcohol and a litre of fish sauce to the pupils. The point is to get satisfactory productivity in order to reduce the production time to a half day, which makes it possible to develop the pupils and the whole evening to individual study. At that time they had run literacy courses for army carriers who were bringing supplies

to the front, especially during the long Dien Bien Phu campaign.

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At the centre of the school

life under socialism creates a social environment favourable to the assimilation of new ideas, helps grasp the essence of social sciences, chiefly history and politics, contributing to the ideological formation of the young. We have got up to high schools and secondary vocational schools at home, and 10 are doing post-graduate study in the Soviet Union, the German Democratic Republic, Rumania, etc. Encouraged by these socialist successes, the directors of the school are contemplating expanding it beyond the framework of a secondary school; it will be equipped with a department of higher technical study, an embryonic engineering school where the pupils will also work while they learn.

This bold project has been approved by the provincial authorities and the Ministry of Higher Education.

Hoa Binh has blazed the trail for the other mountainous provinces. At present, there are in the whole VN 15 such schools, of small size, which are operating on the same principles and pattern.

cooperatives, local offices of the Workers' Party and the Labour Youth, and in various educational, sanitary and administrative services, 1,57 have joined the People's Army, who have gone up to high schools and secondary vocational schools at home, and 10 are doing post-graduate study in the Soviet Union, the German Democratic Republic, Rumania, etc. Encouraged by these socialist successes, the directors of the school are

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**PRINCE
SOUPHANOVONG
SENDS MESSAGE
TO
PRINCE PHOUMA**

Prince Souphanouvong, Chairman of the Central Committee of the Lao Patriotic Front, sent on April 11 the following message to Prince Souvanna Phouma, urging him to join efforts with the LPF in the search for a peaceful solution to the Lao problem, AP reported:

I have the honour to acknowledge receipt of your message dated April 11, 1970.

It presents along with its unswerving determination and the continuation of its aggressive war in South Viet Nam, the United States has been frantically escalating its aggressive war in Laos. It has mounted destructive bombings against Lao territory, intruded Thai and South Viet Nam mercenary units into Laos and thrown troops in its pay in repeated incursions into the areas under the control of the patriotic forces, thus creating an extremely grave situation in Laos.

In disregard of the strong protest of the world peoples and the American people, the Nixon administration is scheming to intensify its aggression against our country. True Lao patriots cannot remain indifferent to this danger originated from the US imperialists. Their leader, the King, has that in the supreme interest of the Fatherland, Your Highness will join efforts with us in finding effective measures for a peaceful settlement of the Lao issue and stability in time US new military adventures.

I reaffirm that the 5-point statement on March 21, 1970 by the Lao Patriotic Front constitutes a sound basis for a solution. The Lao Patriotic Front ready to conclude immediately after the complete and unconditional cessation of US bombardments against Lao territory.

The Lao Patriotic Front is constantly prompted by good will and desire for peace. However, if the US imperialists and their lackeys stubbornly continue their war of annihilation and expansion in Laos, the Lao patriotic forces will sustain their legitimate right of self-defense, will resolutely meet force with due force to defend their sacred national rights and safeguard the fundamentals of the 1962 Geneva Agreements on Laos.

Please accept the assurances of my high consideration.

- Waterways
- State frontiers
- Provincial roads
- Railway lines
- Lao patriotic forces' attacks
- Adverse commando units wiped out
- US bases in Thailand

MILITARY SITUATION IN LAOS

OPERATION *Kao Kist* (Save Honour) having come a cropper, on Feb. 21, 1970 the US aggressors and their lackeys had to pull out of the Plain of Jars - Xiang Khoang area a part of the Lao liberated zone since 1961 which they had illegally occupied since Aug. 1969. However, they continued stepping up their "special war" in Laos.

Between April and May 1970, they committed 6 more battalions of Thai troops to the Sam Thong - Long Cheng and Savannakhet sectors to beef up the Vang Pao "special forces," conduct commando and spy activities in the liberated zones and join the rightists for raids on a number of localities in areas still under their control.

On March 21, 1970, AP said reliable sources in Vientiane disclosed that Thai troops were directly involved in the defense of the Long Cheng base. On March 22, AP said it was claimed that US reinforcement units were dispatched to Long Cheng, including an artillery platoon and other Thai soldiers who had served with the Thai Black Panther Division in South Viet Nam.

South Vietnamese puppet troops were also deployed in Laos and responded actively in Laos. On May 18, Tran Van Lam, Foreign Minister of the Saigon puppet administration, admitted in Djakarta (Indonesia) that the ARVN (Army of the Republic of Viet Nam) had taken over their activities in Laos since the US Cambodian operation. On the same day, US Defense Secretary Melvin Laird confirmed the fact when he declared that "South Viet Nam forces had also entered Laos." On May 20, he added that the Lao rightist troops and under US command, these forces undertook many unsuccessful incursions late in May into the liberated areas in Central Laos.

As far as the US is concerned, there were more than 12,000 advisers in Laos. Referring to the present US military armament in Laos, US Senator Alan Cranston said on March 6, "Americans are fighting in Laos. The fact that some

of them don't wear uniforms doesn't change this one bit... The fact is that American commando troops have been operating in Laos."

On May 17, 1970, US Secretary of State William Rogers made clear that he could not rule out "the possibility that US ground troops will be sent to Laos." The next day, US Ambassador Laird acknowledged that "US ground troops had crossed the border into Laos" while on duty.

Alongside intensified ground military activities by US-commanded mixed forces of Lao rightist troops plus that South Vietnamese commandos, the Americans escalated their air war with more and more intensive criminal bombing raids on the Lao liberated areas.

After March 18, 1970 (i.e. after the pro-US coup d'etat in Cambodia), US planes dropped a daily average of 750 to 1,000 sorties, as against 600 per day at the end of 1969.

Despite tremendous American efforts to step up the "special war" in Laos to an unprecedented high, no experts results were achieved because of the remnant strength of the Lao armed forces and people.

Expanding the big military gains scored during the first 4 months (November - February) of 1970, 1970 dry season, which were mostly liberated Attapeu city and closed in upon the enemy in the surrounding areas.

With a series of daring dashes, they destroyed or decimated the HQ of Sub-district 2, two battalion CPs and puppet main force Battalion 43, killing 600 enemy. They captured 6,000 weapons in Vietnam and Thai mercenaries by US "advisers" into the liberated areas in Khammouan, Savannakhet, Muong Phine and Eastern Tchepone, were beaten off by Lao patriots.

In late May and early June, the latter destroyed or decimated the completely liberated Attapeu city and closed in upon the enemy in the surrounding areas.

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On the night of June 8 and early June 9, with the assistance of the local population and co-operation of the mutinous units of the Vientiane army, they mounted a successful coup on Savarane city. They scored direct hits at the HQ of the Savarane sub-district and the CP of the puppet main force Battalion HV 41, which wiped out the entire garrison.

In March, the Lao People's Liberation Army together with guerrillas and regular troops, went into action in all battlefields; they gave a drubbing to the puppet troops and Thai mercenaries sent in to reinforce the Long Cheng base, raided enemy posts in various

localities of Sam Neua, Oudomxay, Vientiane and Borikham provinces, made lightning attacks on the hide-outs of bandits in the Phou Khoang - Huoi Thong sector (Southeast of Luang Prabang) and struck at the Nong Kipon and Phou Kao sections in Attapeu province, Lower Laos.

In April and May 1970, Lao revolutionary armed forces in Xiang Khoang kept up their shellings and pressure on the Sam Thong - Long Cheng base, assaulted and recovered Phou Sabek and Kee Heng and recovered Phou Sang Nam and Pak Tha area (Oudomxay province) were also re-taken following violent fighting and 5,000 more inhabitants were liberated. The armed forces of the people's warbase at Ban Nok and the HQ of the 17th Mobile Battalion under siege and heavy fire and inflicted serious losses on the enemy.

Fighting continued in Sam Neua against remnant enemy troops. Many enemy incrods jointly with their puppet troops and local and South Vietnamese mercenaries and directly commanded by US "advisers" into the liberated areas in Khammouan, Savannakhet, Muong Phine and Eastern Tchepone, were beaten off by Lao patriots.

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Following many days and nights of valiant fighting, on Feb. 22, 1970 the Lao People's Liberation Army completely liberated the Plain of Jars - Xiang Khoang area, a part of the Lao liberated zone since 1961 illegally seized by the US and its lackeys in Aug. 1969. Following is a story sent from the war zone in Vientiane describing the events of the initial battle in this campaign - the battle for Phou Nok Kok, a forward position, a well-fortified gate in the Plain of Jars which leads to the Ban Ban and Sam Neua rear bases.—ED.

WITH the assistance of Lao friends, we made a trip to Phou Nok Kok. It is a high mountain that rises abruptly above the impressive Co Luong range, stretching Route 2 to the South and fanning out to the North where it links up with Mounts Muong Kha and Phu Mi. Low and rocky barriers dozens of kilometers long, swaying around Nong Pet road junction.

Route 7 is flanked by Phou Nok Kok to become a one-way corridor running into the Plain of Jars. For this reason, people like Phou Nok aircraft right on the base area in case of an enemy charge. Along the trenches there were blockhouses with sleeping bays cut deep into the mountain. The earth cover, more than three feet thick, could sustain the destructive blast of a 120-mm projectile. The "tunnels" which branched out through 5 to 10 successive layers of barbed-wire fences or "anders" barricades (erected with filled trees).

Lao patriotic fighters told me that each of these annexed trenches was a secret guard-post. Here and there, guardmen were seen with their flash-



In co-ordinated actions with the Liberation People's Armed Forces, the guerrillas of Ban Kha, Xiang Khoang province, in the last dry season brought down one F-4 and wiped out thirty Vang Pao bandits

dirty and haggard and that their clothes were caked with dirt. Nevertheless, even the most recent fighters were smiling and alert, cheering waiting for the go-signal. The fighters whispered some heartfelt words into their commander's ear.

"Things are as sure as fate, aren't they!"

The company leader was very pleased to see that his men, all without exception, were eager to move and of course, ready to fight. He was obviously annoyed in the arm, but refused to leave the perimeter. He insisted on joining the battle for Phou Nok Kok.

When the enemy illegally seized the Plain of Jars, they closed in on the Ban Ban and Sam Neua rear bases.

Maybe for its impossible shape and its strategic position, the area gave such name Phou Nok Kok the Laotian for First-Hatched Bird Mountain.

I had the opportunity to peek out through the hole-holes in the enemy post which straddled First-Hatched Bird. From here, I observed on a dozen hillsides long or more on each side, from the Nong Pet road junction to Route 7 to an intersection of Route 7 leading to Sam Neua. Hurriedly down from the hill, I lighted a cigarette to check all

lights regularly and intermittently on and off. Beware! They were merely straw bandits. The bandits in flesh and blood were to be found in hellish holes into the past. Meo commanders, very cruel and cunning, spent their night smoking opium while straining their ears to catch any unusual sounds outside. By putting their ears against the wall of a trench, they could smell smoke or hear voices from a man's footsteps or a night growing wild beast's. They were considered by the Americans to be among the most modern US-made electronic devices.

I strode alone through the combat trench and stopped at every firing pit or rather smoke dashes. Heaps of grenades, cases of grenades littered the trench bed. Grenades were hung on the wire close to the trench walls. Grenades with their pins removed were put into pipes and saving round of ammunition. I stopped at a hole and saw the Meo bandits who had been there before us, they were smoking opium while we were here. They were considered by the Americans to be among the most modern US-made electronic devices.

I stepped into the trench and saw the Meo bandits who had been there before us, they were smoking opium while we were here. They were considered by the Americans to be among the most modern US-made electronic devices.

I had a clear look at several weapons which each fitted with dozens of push-buttons installed in front of the firing pits. They looked quite rudimentary but were very dangerous. When a bandit wanted to attack at any time, he would press the button and automatically a B-50 projectile from a tree would crash down, or a Claymore mine hidden in the cave would go off. There were also thousands of automatic mines and trip flares planted in the ground, in the trees, etc. Steel-pellet bombs, wire-gauze bombs, their guns spitting flashes of fire. For some time, the tactics were roughly the same. Acting upon Khan Dich's orders, the patrols waited until the bandits came in close, then simultaneously fired their guns.

The need for the liberation of the Plain of Jars was more pressing than the craving for drinking water in the thick of this boiling hot dry season on this important High Plateau. The local people went out of their way to meet the fighters and offer corn on the cob and papers of tobacco. From various villages and localities, letters flew to the Field Command promising fats of arms.

And this eager wish had come true for the unit commanded by Phou Nok Kok.

FOR 4 days and nights in a row, like a tiger hot on the heels of its prey,

LAOS

From Inflation to Recession

(Continued from page 1)

What are the causes of this state of things?

Everybody knows that inflation results all from a huge budget deficit. In his State of the Union message early this year, R. Nixon acknowledged that in the past decade, the budget deficit totalled \$7 billion dollars, figure again given in his June 17 televised speech. To make good this deficit, he said, "the American consumer was forced to pay the piper in terms of a ring-spiral of prices."

But why such a deficit? It has its root in the escalation of the war of aggression in Viet Nam and in the parallel escalation of military spending.

From 49.6 billion dollars for the 1965 fiscal year, direct military expenditures went up to 84.3 billion in 1968-69. In the same period the federal budget deficit also increased to record figure of 25.2 billion dollars in 1967-68, thus surpassing that recorded in the 3 years of the Korean war. Also in the same period, national debt was up by 14%, and the interests for this debt 23%.

The war of aggression in Viet Nam, which has swallowed up at least 120 billion dollars according to official estimates covering the period up to the end of the 1969/70 fiscal year, is one of the main reasons of the excess of the expenditures over the revenues of the federal budget. Thus from US economists and businessmen comes the confirmation of the cause-effect link between this war and inflation. For instance, Jenkins Lloyd Jones, President of the US Chamber of Commerce, said in his January 4, 1970 speech that the huge military spending occasioned by the Viet Nam war had led to inflation in the country. Moreover, R. Nixon himself, in his June 17 televised address, had to recognize, though in an indirect manner, this cause-effect relation when he declared that the fall of the gold standard and continued withdrawal of US troops from Viet Nam, he believed he could limit military outlays, and this, in line with his financial and monetary policy, must in his opinion contribute to curbing inflation (*UPI*, June 18, 1970).

The huge military budgets are covered, among other things, by government loans and taxes. National debt went up from 320 billion dollars at the end of 1964 to 377.6 billion dollars by the end of October 1969. As for taxes, the burden of which weights more and more heavily on the working masses, they have been on a constant rise and this, parallel to the price hike.

The tax cut in 1964 has been nullified by taxes for social security and the uninterrupted increase in local and State taxes. In addition, there have been since 1968 a 1% federal tax surcharge and since January 1969, a new tax boost for social security. The high rates of inflation provided an excuse for Nixon to extend the 1% tax surcharge until Jan. 1, 1970. Then having been brought down to 5%, this tax has been

maintained until the end of the current fiscal year, that is, until June 30, 1970.

The tax surcharge, like any other indiscriminate fiscal measure, hard hits the workers who already have to bear a disproportionately large share of the burden. Tax for social security, State taxes and local taxes which continue their climb affect above all the wage workers. At the beginning of 1970, they absorbed on the whole nearly 37% of the workers' earnings. As for big businesses, they continue to benefit from grants destined to cover depreciation charges and a 7% reduction on revalued profits, in short, to be given increasing tax evasion facilities, apart from fiscal exemptions. The new "tax reform," coming into force since the end of last year, far from removing the innumerable loopholes whereby the rich can avoid paying taxes, has provided them with new fiscal advantages.

Tax-increase has been conceived, wrongly, by US leaders as an anti-inflation measure. As anticipated, it has failed to put a brake on inflation while prices even continue their increase.

Another aspect of the anti-inflation battle: "credit squeeze." With the decline of the buying power resulting from increasingly heavy taxation, private demand cannot progress but by drawing on savings and a large recourse to credit. From 7.3% of the net income in the first half of 1968, the savings rate fell to 6.0% in the second half of the year, while consumer credit increased in this second half-year twice more rapidly than in the first half-year. Such a development of consumption naturally could not go on indefinitely. Hence the Federal Reserve Bank applied a strict squeeze policy of limited credit supply. Thanks again, the discount rate has risen gradually to 6% in April 1969. Furthermore, the security margin of bank accounts — in the banks of the Federal Reserve system — has been jacked up by 0.5%, and this constitutes an even more radical measure designed to restrict credit. Thanks to these and other similar measures, interest rates have risen rapidly. In June 1969, the interest rate on interbank commercial borrowings attained 8.5%, that of long-term loans 9-10% and that of consumer credit 15-20% — figures without precedent. On the whole, the rates of all these types of credit in 1969 were the highest in the past 40 years.

The tight-money policy, much vaunted as means to fight against inflation, however imposes no serious restriction as to loans granted to big businesses. The latter in fact have at their disposal the most varied resources and depends only to a small extent on bank loans.

On the other hand, small proprietors, small farmers and private consumers have more and more difficulties to obtain loans in view of the harsh monetary policy. The lifting of interest rates under

the pretense of combating inflation, results in reality in higher prices of consumer goods, directly because of the rise in the interest rate of consumer credit, and indirectly due to the fact that the industrialists owe to it that the rise of interest rates is paid by the consumer. Thus, the policy of tight-money and tax-increases have not helped curb inflation, but contributes in no small measure to the price hike.

The anti-inflation measures applied by the US government, namely, tax-increases and restriction on credit, have proved ineffective, since the real cause of inflation — the hypertrophy of military spending — is left more or less intact.

What is more, the policy of the Nixon administration tends less to inflation radically than to alleviate it.

In fact, inflation brings important advantages to the monopolies. Because what goes up first is the prices of their products, while wages are up only after some time and solely in proportion to the successes obtained by the workers in their struggle. Inflation is a means to

RECESSION OR

"SLOW-DOWN"

WHICH of the measures taken by Nixon have up to now proved ineffective against inflation, they have exerted an influence, already felt, on economic activation as a whole, and aggravated the role of the cyclical factors conducive to recession. (Nixon prefers speaking of a "slow-down".)

The rate of increase in the real gross product (GNP) fell in the third quarter of 1969 to 1.6%, and the trend continues. From Aug.-Sept. 1969, industrial production began going downhill and the movement is on. The activity in the three leading industrial branches — steel, auto and construction — shows a marked decline. In several branches, the order book shrinks sensibly. This state of things, along with the underutilization of production capacities, can entail a reduction, more substantial than expected, in capital spending.

Another important fact: the slow but continued increase of the rate of full unemployment which, from Jan. to Aug. 1969, rose from 3.3 to 3.5%, according to official statistics, and shot up to 4% in Sept. 1969. This is a positive development showing, among other things, a generalized discontinuation, under the effect of recession, of the habit of keeping manpower surplus within certain limits.

In May, full unemployment already affected 5% of the total labor force or 4.1 million persons, according to Prof. Milton Friedman (University of Chicago), unemployment might reach 6% (*Wall Street Journal*, Feb. 24, 1970).

It is the Black workers, whose unemployment rate has already been proportionally the highest, that suffer most. A survey from the US Labour Department covering the ghetto areas of 90 cities shows

slash in a painless fashion wage increases — painless because it does not touch off a tumultuous resistance from the workers as it would in case wages were directly cut.

Difficulties crop up for the monopolies only when inflation goes beyond a certain limit and consequently gets out of control and entails in particular a drop in US exports which have become less competitive on the world market, an aggravation of the chronic deficit of the balance of payments and a weakening of the dollar as international currency.

In his June 17 televised speech, R. Nixon asserted that inflation would be brought to an end soon. But, as *UPI* put it, except the US President himself, few people believed it (*UPI*, June 17, 1970).

Because not only Nixon has no intention of ending the war of aggression in Viet Nam, he still seeks to extend it to the whole of Indochina. But, as already said, there would be no sensible attenuation of inflation unless an end is put to the war of aggression and military spending considerably reduced.

that the general level of unemployment there was put at 5% during the second quarter of 1969. But this year that of Black workers has climbed from 7.3 to 8.5% while that of White workers has dropped from 4.6 to 4%.

According to economist Michael Evans, of the University of Pennsylvania, while unemployment hits the mark of 7% in the white country, it will be 15% among the Afro-Americans in general, and 35% among the Afro-Americans under 25.

Recession, coupled with the continued aggression in Indochina, can also be detected in a stock market slump. Stock prices show a sharp drop of 11% on April 29 last that was, it is said, the largest decline since J.F. Kennedy was assassinated. On May 26 last, the Stock Exchange recorded an abrupt fall again by the Dow Jones industrial indices. Following Nixon's June 17 televised speech to the *New York Stock Exchange* again closed on the minus side (*AP*, June 17, 1970). Democratic Senator Cranston has affirmed that the present recession is the worst in the US since 1957 (*UPI*, June 17, 1970).

Inflation, with all its consequences both domestic and foreign, recession and unemployment, all that spills over into the economy of the US economy. At the root of all these troubles, is among other factors, the Viet Nam war, now becoming the Indochina war.

Nixon's June 17 speech offered no radical remedy for the ailment suffered by the US economy, chiefly because the US President is bent on pursuing his policy of war and aggression.

V.N.T.